



Prepared by: **Rone Forest Management, Inc.**
Consulting Foresters

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6/16/08 2:27:59
BK 587 PG 147
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

FOREST PRODUCTS SALE CONTRACT

This contract made and entered into this day by and between, Audrey Crossett and Peggy Lewis, parties of the first part, hereinafter called the **SELLER**, and Fly Timber Company, Inc. party of the second part, hereinafter called the **BUYER**.

WITTESSETH:

ARTICLE I:

For and in consideration of the sum of \$10.00, receipt of which is hereby acknowledged, and other good and valuable consideration, the SELLER hereby agrees to sell and the BUYER agrees to buy all forest products designated for removal by the SELLER on 39 Timbered acres, more or less, located West of Highway 301 and North of Church road in the SE $\frac{1}{4}$ of Section 1, Township 2 South, Range 9 West of DeSoto County, Mississippi.

The buyer agrees to pay in full, or otherwise desired by the SELLER, for the forest products designated for removal, at the signing of this contract.

All of the forest products covered by this contract, described below, have been designated by the SELLER in the following manner:

This is a sale of **ALL Merchantable Timber** within the area flagged with Pink-Glo flagging.

The BUYER represents that he has inspected the sale area and familiarized himself with the kind, amount, and quality of all products designated by the SELLER and covered by this contract, and understands that any estimated volume figures were furnished for information only and are not guaranteed by the SELLER.

PART I - GENERAL TERMS

ARTICLE II:

The SELLER warrants that they have merchantable title to the products covered by this contract, and that same is free of all liens and encumbrances.

The SELLER grants to the BUYER the right of ingress and egress over the lands of the SELLER'S as may be necessary for removal of products specified by this contract; provided, however, that no mechanized equipment not equipped with rubber treads shall be operated on or across any paved or blacktop surfaced roads on the property of the SELLER'S without first laying planks on the road to prevent contact between the vehicle and the road.

Sales • Inventories • Appraisals • Management • Regeneration Specialists

314 Timber

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ARTICLE III:

This contract shall not be assigned in whole or in part without the written consent of the SELLER; and in event of assignment, the terms of this contract shall apply.

ARTICLE IV:

The SELLER hereby designates Rone Forest Mgt., Inc. as his technical agent and gives said agent responsibility of determining compliance with the terms of this contract by the BUYER and also gives agent the authority to stop all operations of the BUYER on the SELLER'S property when it appears that the terms of this contract are being violated.

The BUYER agrees to notify Rone Forest Mgt., Inc. prior to beginning operations under the terms of this contract. Upon notification, a time may be arranged prior to beginning the cutting operation for a pre-entry conference. The purpose of this conference is to review this timber sale contract and ensure the understanding and compliance of all articles and performance requirements.

A logging plan, if deemed necessary by Rone Forest Mgt, Inc. will be developed jointly between Rone Forest Mgt., Inc. and the BUYER prior to beginning cutting operations. This logging plan will include the location of haul roads, loading decks, main skid trails, stream management zones, and other sensitive areas as deemed necessary. These haul roads, loading decks, main skid trails, stream management zones, and other areas will be physically marked on the sale area by some visible means and so noted on the plan. A corresponding topographic map showing the locations of these areas may be attached to the plan. This plan, once implemented, can only be changed upon the mutual consent of both parties.

The logging plan will be considered part of this contract and will be attached as Exhibit "A".

ARTICLE V:

The terms of this contract shall be for a period of **Twelve (12)** months from the date hereof, and during said period the BUYER may harvest and remove any and all products covered by this contract; and upon harvesting and removal, title shall vest in the BUYER. The contract may be extended for six (6) months, by mutual request, in writing only, if conditions develop which interfere with the BUYER'S operations for an appreciable length of time. A request for extension will cost the BUYER an additional 6% of the sale price. All severance taxes will be paid by the BUYER.

ARTICLE VI:

The BUYER agrees to take all reasonable steps to prevent fire to the timber on the above described lands and agrees that he will use all available men and equipment to suppress any fires on said lands while the BUYER'S operations are in progress.

The BUYER further agrees to pay the SELLER for any and all damage from fire to timber or other property of the SELLER'S originating through the negligent act or acts of the BUYER, his agents, or employees and that he will further pay the SELLER for any expense incurred by the SELLER, in fighting or suppressing such fires.

PART II - PERFORMANCE REQUIREMENTS

ARTICLE VII:

Existing logging roads shall be utilized wherever practicable. All haul roads and loading decks must be repaired immediately upon discontinued use. The Mississippi's Best Management Practices Handbook will be used for the specifications for the practices required above.

All logging roads, when repaired, must be left in a condition traversable by a pickup truck.

All loading decks will be located a minimum of fifty (50) feet inside the sale area and away from any county or public road right-of-way or pond or pine plantation or other designated area as shown on the attached logging plan or tract map.

Boundry line trees, which are unnecessarily damaged in the course of the BUYER'S operations will be designated for cutting by the SELLER or his agent and shall be paid for at the following rates which are considered to be approximately double their stumpage value:

Pine Pulpwood	\$ 40	per standard cord
Hardwood Pulpwood	\$ 25	per standard cord
Pine Sawtimber	\$ 600	per MBF, Doyle scale
Hardwood Sawtimber	\$ 500	per MBF, Doyle scale

For purposes of this contract, unnecessary damage to a desirable tree shall be considered as breakage of the main stem, uprooting, or any abrasion which exposes wood on one quarter (1/4) or more of the circumference of the main stem, where such damage could have been avoided through the use of reasonable care.

Boundry line trees which are cut due to the BUYER'S negligence or error shall be paid for at the rates specified for trees unnecessarily damaged. Diameter of any excluded tree which has been cut shall be considered to be the average diameter of the stump inside the bark, and the merchantable length of the tree shall be considered to have been 50 feet if it cannot be accurately determined by the SELLER or his Agent.

ARTICLE VIII:

The BUYER shall be responsible for the removal of any tree or bush or portion thereof which is felled in any Streamside Management Zone(SMZ), or on any public highway, woods road, ditch draining the roadway or felled in a way which obstructs

the same in any manner whatever. Any tree felled within a designated stream management zone or across any boundary or property line will be removed in its entirety.

All trash such as paper, plastic, bottles, fuel and oil containers, filters, tires, tubes, etc., will be removed from the site daily and disposed of properly. This trash will not be burned under any circumstances.

All waste oil and fuel will be drained into a proper container and transported off the sale area and disposed of properly. Draining waste oil and fuel on the ground will not be tolerated. If such a spill occurs, all necessary steps should be taken to clean up and dispose of properly.

ARTICLE IX:

When the BUYER has completed his operations as authorized by this contract, he shall remove all of his equipment and other objects located on the property by himself, his agents, or his employees. Roads and fences, if damaged by cutting operations, will be restored to as good or better condition as they were before harvest operations began.

Upon completion of all terms of this contract, the BUYER will notify the SELLER or his agent, who will make final inspection of the sale area.

ARTICLE X:

The BUYER shall specifically and distinctly assume all risk of damage or injury to persons or property resulting from any actions of operation under this contract.

Also, the BUYER for himself or any subcontractor, shall effect and maintain at his expense, insurance satisfactory to the SELLER or his agent in the minimum amounts as follows:

1.) BUYER and subcontractors shall in all things, conform to the requirements of the Workman's Compensation Act of the Laws of the State of Mississippi (MS Code 73-3-1) and qualify thereunder as a condition precedent to the performance of this contract. He shall as required by the SELLER, submit satisfactory proof of qualification and conformity of himself and each subcontractor with said act.

2.) Manufacturer's or Contractor's Public Liability Insurance in not less than \$100,000.00 and \$300,000.00 limits. Bodily Injury and Property Damage Insurance in not less than \$50,000.00 and \$100,000.00 limits.

3.) Contractor's Protective Public Liability Insurance in not less than \$100,000.00 and \$300,000.00 limits. Bodily Injury and Property Damage Insurance in not less than \$50,000.00 and \$100,000.00 limits.

ARTICLE XI:

If any of the conditions of these articles are violated by the buyer, the SELLER may, upon giving the BUYER notice in writing, suspend all operations engaged in by the BUYER under this contract until conditions and requirements of this contract have been complied with; and if the BUYER refuses to comply with each and every condition and requirement set forth in these Articles and persists therein after notice in writing, the SELLER may terminate this contract.

IN WITNESS WHEREOF, the above contract has been executed on this the 12 day of June, 2008.

Audrey Crossett
Audrey Crossett
(SELLER)

[Signature]
~~Fly Timber Company, Inc.~~
or Representative
(BUYER)

Peggy Lewis
Peggy Lewis
(SELLER)

STATE OF MS
COUNTY OF Desoto



Personally appeared before me, the undersigned authority in and for the said county and state, on this 12 day of June, 2008, within my jurisdiction, the within named party of the first part, **Audrey Crossett**, who acknowledges execution of the foregoing instrument.

My Commission Expires: My Commission Expires
November 27, 2011

[Signature]
Notary Public

STATE OF MS
COUNTY OF Desoto

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 12 day of June, 2008, within my jurisdiction, the within named party of the first part, **Peggy Lewis**, who acknowledges execution of the foregoing instrument.

My Commission Expires: My Commission Expires
November 27, 2011

[Signature]
Notary Public



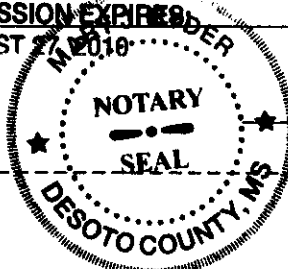
STATE OF Mississippi
COUNTY OF Desoto

BK 587 PG 152

Personally appeared before me, the undersigned authority in and for the said county and state, on this 12 day of June, 2008, within my jurisdiction, the within named party of the Second part, **Fly Timber Company, Inc., or Representative**, who acknowledges execution of the foregoing instrument.

My Commission Expires MY COMMISSION EXPIRES

AUGUST 27, 2010



Notary Public

Address of Sellers:

Audrey Crossett
5295 Hwy. 301
Walls, MS 38680
(662)781-0158
(662)342-4765

Peggy Lewis
6548 Church road West
Walls, MS 38680
(662)781-1793
(662)781-2255

Address of Buyer:

* Fly Timber Company, Inc.
2178 Hwy 7 South
Grenada, MS 38901
(662)226-2276
(662)417-5932